



## Section 3

# Conservation Commission

The Conservation Commission operates three different grant programs that were affected by the requirements of HB 1785. They include the Conservation District Water Quality Grant Program, Dairy Waste Management Grants and the Conservation Reserve Enhancement Program. Although each of these programs has different requirements and objectives, the Commission has chosen to develop changes required by HB 1785 through one holistic process.

## Conservation District Water Quality Grant Program

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The purpose of the Conservation District Water Quality Grant program is to address non-point water pollution caused by agricultural practices.

### General Statutory Provisions

Per RCW 89.08.410 the State Conservation Commission may authorize grants to conservation districts from monies appropriated to the commission for such purposes as provided within this section.

### Eligible Recipients and Activities

The eligible applicants are conservation districts, which provide education and outreach activities, direct technical assistance to farmers and cost share for implementation of agricultural best management practices to control water pollution. Water quality grants must be matched by the participant \$1 of cash or in-kind contributions for every \$9 (10 percent match requirement) provided by the districts. The history of this grant program has been to award equal amounts to all eligible conservation districts to address their respective non-point water pollution activities.

### Funds Appropriation History

Funding for water quality grants has come from the State Water Quality Account. Appropriations for the current and two previous biennia are shown in the table below.

### Conservation District Water Quality Grant Program Appropriation History

Biennium	Appropriation
1997-99	\$5,000,000
1999-01	\$5,000,000
2001-03	\$3,500,000

## Dairy Waste Management Grants

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The purpose of dairy waste management grants is to address water quality degradation caused by dairy farms and assist dairy farms comply with water quality regulations.

### General Statutory Provisions

The Commissions granting authority is found under RCW 89.08, however the Dairy Waste Management Program is established under RCW 90.64. State statute requires that every Washington licensed dairy facility have a developed and fully implemented Nutrient Management Plan in place by December 31, 2003.

### Eligible Recipients and Activities

There are currently 650 licensed dairy producers in the state that are eligible for funding under this program. Grant funding is provided to producers through the local conservation districts to complete dairy nutrient management plans. Districts are also responsible for approving and certifying dairy nutrient management plans for dairy producers. In addition to the development of these plans through technical assistance grants, the conservation districts also award cost share to dairy producers for the implementation of the items in the plan.

### Funds Appropriation and History

Funding for dairy waste management grants comes from the State Water Quality Account. Appropriations for the current and two previous biennia are shown in the table below.

#### Dairy Waste Management Grant Program Appropriation History

Biennium	Appropriation
1997-1999	\$3,000,000
1999-2001	\$5,500,000
2001-2003	\$5,500,000

Currently, some conservation districts apply an environmental benefit scoring to those producers who request assistance. However, many of the districts rank on a “first come, first served” basis in recognition that all dairies need help protecting water quality. When funding through the commission becomes available, those applications that were previously ranked are submitted to the commission for consideration of funding.

## Conservation Reserve Enhancement Program

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The Conservation Reserve Enhancement Program (CREP) is a joint partnership between Washington and the United States Department of Agriculture (USDA), and is administered by

the Washington State Conservation Commission and the Farm Services Agency (FSA). This voluntary program was established in 1998 and provides incentives to restore and improve salmon and steelhead habitat on private agricultural lands. Enrollment in CREP also provides the landowner with assurances from the National Marine Fisheries Service and the U.S. Fish and Wildlife Service that these lands will not jeopardize the continued existence of threatened or endangered species listed or proposed for listing under the Endangered Species Act.

### General Statutory Provisions

The commission's granting authority to Conservation Districts and program authority is found under RCW 89.08. The Federal Conservation Reserve Enhancement program is found in 16 USC, Chapter 58. The Federal Endangered Species Act it found in 16 USC, Chapter 35.

### Eligible Recipients and Activities

Under CREP, farmers and ranchers enroll lands in the program under 10- or 15-year contracts. This land is removed from production and grazing. In return, landowners plant trees and shrubs to stabilize the stream bank and to provide a number of additional ecological functions. Landowners receive annual rent, incentive and maintenance payments, and cost share to rehabilitate the streamside area. These payments made by FSA and the Conservation Commission can result in no cost to the participating landowner.

Currently more than 9,500 stream-miles are eligible in agricultural areas in Washington. Many of these stream-miles comprise major river systems and tributaries important to the salmon lifecycle. After an extremely slow start to the program, the Commission has seen interest and enrollment skyrocket in many areas of the state.

### Funds Appropriation History

Funding is divided between the state and federal government. Rental payments and 90 percent of the financial assistance is paid by the federal government (USDA, Farm Service Agency) and 10 percent of the financial assistance is paid by the state, along with 100 percent of the maintenance of the buffer for the first five years of the contract. Funding has been appropriated from the state General Fund (GF-S) and state bonds (State Building Construction Account). Appropriations for CREP for the current and two previous biennia are shown in the table below.

#### Conservation Reserve Enhancement Grant Program Appropriation History

Biennium	Technical Assistance (GF-S)	Cost Share (SBCA)
1997-99	\$1,000,000	\$5,000,000
1999-01	\$2,000,000	\$0
2001-03	\$1,900,000	\$1,000,000

State general funds are used to pay for technical assistance to the districts, while state bonds are used for the financial assistance to improve streamside areas. A factor limiting continued

success are the availability of technical assistance funds for conservation districts to design and implement the habitat management plans for landowners, and to manage the cost- share agreements with the land owners

## **Program Implementation of HB 1785**

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### **Consultation with Grants Recipients**

The Conservation Commission formed a Commission Grants Policy Advisory Committee (CGPAC) to address the implementation of HB 1785. The CGPAC comprises two district supervisors and two district staff persons from the west, central and east regions of the state, for a total of 12 district representatives. The commission's field operations managers recommended the district representatives in order to achieve representation from both large and small districts, as well as broad regional representation since the activities of districts vary greatly with topography. Commission staff and Natural Resource Conservation Service (NRCS) staff also participated on this workgroup. Full-day meetings took place in Ellensburg, Washington on December 13, 2001 and January 24, 2002. Pierce County Conservation District Manager Monty Mahan was appointed as chair for this committee. After reviewing the legislation, the CGPAC decided to address the following key issues:

- €# Developing outcome based performance measures for the CREP, dairy waste management and water quality grants for effective program management and performance assessment.
- €# Development and utilization of a Statement of Environmental Benefits (SEB) in the grant prioritization and selection process.

The risk of added workload was the greatest concern to the constituents, since no funding was appropriated with this legislation to cover additional workload that may be associated with monitoring and reporting. Thus, the CGPAC made it their goal to create an implementation plan that not only would meet the legislative intent of HB 1785, but also would not increase the workload for districts, most of which are already faced with resource shortfalls to meet current local needs.

With the cross-section of district representation, a very productive discussion occurred on the varying activities and challenges across the state. The goal for the CGPAC was to develop recommendations for the three named grant programs, and have the CGPAC Chair present these recommendations to the Conservation Commission at its March 2002 meeting. The commission accepted the recommendations with the understanding that the exact language for outcome-based performance measures will be drafted with input from all constituents and key stakeholders. The CGPAC recommendations, once approved by the commission, were presented to district staff statewide through informational/training sessions. The training portion of these presentations revolved around outcome based planning, evaluation and measurement, as well as use of a logic model. District staff completed surveys on this presentation, and all responded very positively to the information they were provided.

## Consultation with Other Natural Resource Agencies

Commission staff participated on an interagency workgroup convened by the Department of Ecology, which has met several times face-to-face, but has primarily communicated by e-mail. The workgroup shared information about legal ramifications, as well as training and evaluation-contractors that can help define performance measure systems, outcome measures and logic models. The commission benefited from examining other jurisdictions' approach to outcome funding and performance-based contracting.

Commission staff will continue to monitor the progress reports of the SB 5637 Watershed Monitoring workgroup, and plan to incorporate final results of this legislation into our grants program.

## Outcome Based Performance Measure Developed as a Result of HB 1785

### *Water Quality Grants*

The CGPAC began with putting together a program logic model for each of the three named grants. This was very helpful in clarifying program elements. Water quality grants proved to be the most challenging of the three, due to broad usage of the grant statewide.

Below is the logic model that helps in understanding the goals for outcome based performance measures.

**Logic Model for the Water Quality Grant Program**

	Level II	Level III	Level IV
	<u>Implementation</u>	<u>Intermediate Outcomes</u>	<u>Intermediate Outcomes</u>
	Fencing	<b>Monitored Improvement</b>	Habitat Area Preserved/Enhanced
	BMP's	<b>Implicit Improvement</b>	Water Quality Improved/Protected
	Habitat Restoration		
	Farm Plans		
<b>Level I</b>			
<u>Organizational Capacity</u>			<b>Statement of Env Benefit should revolve around Level IV outcomes</b>
Leveraging			
Staff Development			
Collaboration			
Administration			
	<u>Education &amp; Outreach</u>	<u>Intermediate Outcomes</u>	<u>Intermediate Outcomes</u>
	Workshops		Behavioral Changes
	Demo's	<b>Surveyed Results</b>	Leads to implementation
	Site Visits		Education
	Events		
	Publications		
	Habitat Conservation Plans		

This table was created to show the process that leads to appropriate action under this grant program. The lowest level activities (Level I) are necessary support functions for the commission's work with landowners (Level II). Intermediate Outcomes (Level III) are the

deliverables that can be easily measured during the conduct of Level II activities by the agency. These have been shown through Natural Resource Conservation Service research (in the case of Implementation Outcomes) and social science research (in the case of Education & Outreach Outcomes) to lead directly to completion of goals in accordance with the legislative intent of water quality grants.

The goal is to produce outcome-based performance measures that districts are able to monitor and report on. Level III Intermediate Outcomes not only have the benefit of being measurable by districts, but also meet the intent of HB 1785. The districts will be required to identify and report to the commission on at least one performance measure.

The following performance measures were planned for commission adoption on July 18, 2002 including:

- ## Number of plans/practices implemented statewide as a result of the water quality grants program;
- ## Number of landowners who initiate conservation plans as a result of a district water quality education and outreach program.

As this data is gathered over time, these measures should prove to be a good indicator of program performance. We anticipate the use of past performance history as a factor in scoring future individual grant applications.

### *Dairy Waste Management*

The enforcement of the Dairy Nutrient Management Act lies solely with the Department of Ecology. Actual water quality improvement is measured through the inspection process carried out by Ecology. The commission's focus is on the primary goals of the program, which is that all dairies in the State of Washington will have approved and certified plans by December 31, 2003. As a result the commission has chosen the following performance measures:

- ## Percentage of dairies with plans approved by the conservation districts;
- ## Percentage of dairies with plans certified by the conservation districts.

For these measures, "approved" means a plan has been developed for the producer outlining all water quality measures necessary for compliance, while "certified" means that the dairy producer has completed the installation of all items outlined in the plan and has complied with the requirements of the Dairy Nutrient Management Act.

The major emphasis of district activity over the last four years has been getting the plans developed. The development deadline was July 1, 2002. Of the 650 licensed dairy producers statewide only fifteen have not completed approved plans as required by the Dairy Nutrient Management Act. In 1998, when the law was passed, the compliance rate for dairy farms was estimated at 25 percent. Today, Ecology reports that compliance has reached 75 percent. In fact, Whatcom County's Total Maximum Daily Load (TMDL) for all contributions that may degrade

water quality has met the goals established by the State. There is considerable belief that this is due in large part to the implementation of the Dairy Nutrient Management Act.

### *CREP*

The CREP program was created and developed in part to address agriculture's role in salmon recovery. The standards that were developed for the CREP program took into consideration the “proper functioning conditions” necessary for salmon recovery. These include, water quality improvement through reduced sediments and shading to promote optimum water temperatures. They also include recruiting large woody debris and leaf litter to aid in the food development and enhancement for salmon. The standard used for enrollment and planting of a CREP site is 3/4 site-potential tree height. In Western Washington, that is a 200-foot Douglas fir. In eastern Washington it is a 100-foot Black Cottonwood. These lengths are used to define the width of streamside areas enrolled in the program. These sites are then planted with native trees and shrubs in order to restore the habitat and achieve the necessary water quality improvements.

The conservation districts and the commission, has chosen the following performance measures to track the progress of CREP including:

- ≠# The number of stream miles enrolled in the program.
- ≠# The number of acres enrolled in the program.

These new performance measures represent changes from previous measures that showed the number of landowners, and the number of district contracts. The commission feels that the new outcome measures will improve the focus on the primary goals of the program. Because land enrolled in the program meets standards necessary for salmon recovery, these measures act as a good proxy for improvements in water quality. These measures are also readily available and do not place additional collection burdens on the districts.

Should other data and monitoring resources become available to the commission and districts through other entities, more scientific measurements may be added in accordance with SB 5637. The commission hopes that the work of the SB 5637 groups will enable a coordinated use of resources and data for districts, and not result in extensive requirements for a new protocol and monitoring program, for which districts lack adequate resources.

## **Incorporating Environmental Benefits in Prioritization and Selection**

### *Water Quality Grants*

Traditionally, water quality grants have been provided equally to each district. Abiding by HB 1785 in setting up a prioritization process is a major change for districts. Taking this into consideration, the CGPAC recommended that the commission and districts have a “dry run” when funding is allocated for the period beginning July 1, 2002. The commission staff will provide a sample Statement of Environmental Benefits (SEB), and districts will be required to complete this SEB with their applications. This SEB will revolve around Level IV Intermediate Outcomes. Although the commission will report on rankings and results from each district,

funding will be released in equal portions for this grant cycle. This “dry run” will give districts an opportunity to learn and improve their ability to formulate an improved strategy when this new prioritization process is fully implemented on July 1, 2003.

Commission staff is currently rewriting the water quality grants application to incorporate SEBs and will work with CGPAC members to finalize this new application.

The CGPAC also has developed recommended changes for grant selection and prioritization:

- ## Since activities vary regionally, rankings will take place for each of the three regions of the state: west, central and east.
- ## The ranking committee from each region will comprise one representative from each member district (selected by that district's board of supervisors) who will not be allowed to score his or her own district proposal. Commission staff will facilitate this committee.
- ## Two award levels will be created. The first level will include proposals that contain only education and outreach components. The second and higher award level will apply to proposals that have education and outreach as well as implementation, or that primarily address implementation.
- ## Once the number of projects is known in each of the two categories from the three regions, award amounts will be set for each category ensuring the total appropriation is used.

### *Dairy Waste Management*

Currently, many conservation districts apply an environmental benefit score to those dairy producers who request assistance. However, the CGPAC has determined that due to the large volume of dairies and the time constraints for implementation of the Dairy Waste Management Act, many districts have ranked producers on a “first-come first-served” basis, knowing that all dairies must comply by Dec. 31, 2003. All districts with dairies will work with commission program staff to formulate a universal environmental benefit ranking system to be available for the 2003-05 biennium. Copies of the ranking forms will be submitted with the application for funding by the districts and used by the commission in awarding grants.

### *CREP Technical Assistance*

During the previous years of the program, districts submitted their request for technical assistance for the CREP program on an annual basis. For these grant applications, few scientific or environmental benefit measures were applied before distributing funds. Primarily, awards were based upon the projects and number of landowners that the district anticipated assisting.

For the 2002-03-grant cycle, the grant application was changed dramatically. It evolved from a majority of narrative-based information to a direct environmental/current contract-based evaluation. Since this program is an integral part of the state's salmon recovery strategy, it was important to recognize the benefits that this program can provide to enhance and improve salmon habitat on agricultural lands across the state. The “environmental benefit scoring” section outlined below will be used in conjunction with the districts current CREP contracts.



## CREP Technical Assistance Grant Scoring

Total CREP Contracts	Recognition for all contracts achieved by District	7 points each
Total CREP Acres Enrolled	Recognition for all contracts achieved. Also addresses concerns expressed by Districts over higher emphasis being placed upon larger acreages	5 points per acre
Number of Contracts achieved this FY	Rewards for continuation of enrollment this fiscal year	10 points each
Number of CRP-2 Intents signed	Credit for continued interest by landowners	3 points each
Number of acres reflected in above CRP-2s.	Address big vs. little contracts and time necessary to develop larger contracts	2 points per acre
Number of Contracts that represent contiguous stream segments	Important for Salmon Recovery and largest investment in environmental benefit	10 points per contract
Miles of contiguous contracts	Credit for large and numerous contracts. The state's program goal is 10,000 miles; this rewards districts for securing multiple contracts comprising thousands of feet protected	7 points per mile
Number of CRP-2s in place that represent contiguous miles	Important for Salmon Recovery and largest investment in environmental benefit	5 points per CRP-2
Number of miles represented by above statement	Our program is measured by protected, restored miles.	3 points per mile
Number of employees divided by number of contracts.	Attempt to answer efficiency questions.	Scoring 10-1
Average number of hours necessary to achieve CREP Contract	Necessary for future budget planning purposes.	
Average employee cost per hour to achieve CREP Contract	Necessary for future budget planning purposes.	

The Conservation Commission fully recognizes that by using a system that bases awards upon 1) environmental benefits scoring, as illustrated above, and 2) the second phase of the application in which higher scores were awarded for those who have current CREP contracts, will result in some districts not receiving a technical assistance grant for 2002-03. While this is a significant change from earlier years in this program, it complies with the intent of HB 1785 and the necessary investment strategy.

### **Agency Recommendations for a Monitoring Program**

The CGPAC deliberated extensively on the idea of a monitoring program. With limited resources for monitoring, the CGPAC chose to focus on intermediate outcome measures for which the districts could easily claim ownership and that reflect goals of the program's legislative intent. As the commission and districts gain more experience with the changes in reporting, and upon completion of the SB 5637 report, it is anticipated that a monitoring strategy may evolve.

### **Barriers to Fully Implementing HB 1785**

Concern over funding and resources to develop an intensive monitoring program poses a major barrier to implementing HB 1785 in the districts. The commission will have a better grasp of the extent of funding and resource shortfalls when the final report from the SB 5637 workgroup is complete by the end of 2002, and as they receive feedback from stakeholders on existing efforts.